GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3323
ANSWERED ON:05.08.2016
Changes in the Business Loan Norms
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) / Insurance Regulatory and Development Authority (IRDA) has any plan / proposal for effecting changes in the business loan norms;

(b) if so, the details thereof; and

(c) whether such changes are beneficial to Micro, Small and Medium Enterprises (MSME) sector and if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): Reserve Bank of India has informed that the management of loan sanctioning / recovery activity in a bank is essentially an internal management function and each bank's Board is authorized to frame suitable policies. Accordingly, the norms for sanctioning business loans will be decided by individual banks as per their Board approved policy. IRDAI does not have any plan/proposal for effecting changes in the business loan norms.
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